

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, DC 20554

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

In the Matter of)	
)	
Long-Term Number Portability)	CC Docket No. 99-35
Tariff Filings)	
)	
U S WEST Communications, Inc.)	Transmittal Nos. 965, 975, 1002

REFUND PLAN OF U S WEST COMMUNICATIONS, INC.

U S WEST Communications, Inc. ("U S WEST"), through counsel and pursuant to the Federal Communications Commission's ("Commission") Order finding U S WEST's long-term number portability ("LNP") rates contained in Transmittal No. 1002 to be just and reasonable ("LNP Tariff Order"),¹ hereby files its LNP Refund Plan to refund additional amounts that U S WEST collected for the period prior to July 10, 1999 (i.e., the effective date of Transmittal No. 1007)² when Transmittal Nos. 965 and 975³ were in effect.

U S WEST's Refund Plan is bifurcated into two parts: 1) an LNP Query Service Plan and 2) an LNP End User Surcharge Plan. This approach recognizes

¹ In the Matter of Long-Term Number Portability Tariff Filings, U S WEST Communications, Inc., CC Docket No. 99-35, Transmittal Nos. 965, 975, 1002, Memorandum Opinion and Order, FCC 99-169, rel. July 16, 1999.

² Transmittal No. 1007 filed July 22, 1999 suspended the rates in Transmittal No. 1002, filed July 2, 1999, effective July 9, 1999 by one day to an effective date of July 10, 1999.

³ Transmittal No. 965 filed Jan. 26, 1999, effective Feb. 10, 1999; Transmittal No. 975 filed Mar. 9, 1999, effective Mar. 24, 1999.

the significant differences that exist between processing refunds for carrier customers and end user customers.

I. QUERY SERVICE REFUNDS

LNP Query Services are wholesale services which are sold to other carriers. As a result, U S WEST has a very small number of Query Service customers -- approximately 100 carriers. U S WEST proposes to calculate refunds for each of these customers individually based on the volume of Query Services purchased and billed prior to July 10, 1999, the effective date of Transmittal No. 1007.⁴

U S WEST proposes to refund Query Service overcharges and accrued interest by crediting each carrier customer's account. Interest will be calculated and compounded daily at the IRS rate in effect for the period for which refunds are due.⁵ Interest will begin accruing the day after U S WEST received payment for Query Services from each carrier customer until the customer's account is credited.

II. END USER SURCHARGE REFUNDS

The LNP End User Charge is levied on a per line basis with a few exceptions for multi-line services (e.g., each PBX trunk is subject to 9 End User Charges rather than one per number/station). It is applied on lines in those NPA NXXs which are

⁴ In a number of cases, bills have not been rendered to carriers because the amount due was less than \$1.00 and the costs of billing these customers would far exceed any Query Service revenue collected. In such cases, U S WEST expects to render bills at some time in the future when the cumulative amount due is more significant. At that time U S WEST plans to apply the Query Service rates contained in Transmittal No. 1002 in order to avoid any refund obligation associated with such de minimis usage.

LNP capable. In U S WEST's region approximately 11 million lines serving over 7 million individual customer accounts were LNP capable as of July, 1999. The End User Charge is billed to these customers on a monthly basis using U S WEST's CRIS billing system -- the same system that U S WEST employs for billing local exchange service.

Due to the de minimis amount of the LNP refund (i.e., less than \$.50 per line) and in order to avoid incurring inordinate expense in calculating and processing individual refunds⁶ and undue delay in issuing refunds, U S WEST proposes that End User Charge refunds be calculated on an NPA NXX basis with all customers with lines in service (i.e., in a given LNP capable NPA NXX) on the refund date receiving an identical credit per line.⁷ U S WEST believes that this is an equitable approach since the vast majority of the lines in a given NPA NXX in service during the refund period (i.e., February 10, 1999 or when the NPA NXX became LNP capable through July 9, 1999) will also be in service on the refund date.⁸

⁵ If the IRS rate has not been published for a portion of the credit period (i.e., at the time that refunds are being calculated) the latest published IRS rate will be used to determine interest due and this amount will be considered to be final.

⁶ U S WEST estimates that program changes to its three regional CRIS systems to accommodate individual refunds would cost in excess of \$2 million.

⁷ Refunds would only be provided in those NPA NXXs which were LNP capable prior to July 10, 1999.

⁸ Those customers terminating service in LNP capable NPA NXXs prior to the refund date would not receive a refund while customers initiating service prior to the refund date would receive credit for the entire refund period. This method would have no impact on the total amount of revenue subject to refund. Since most customers terminating service during the refund period also initiated service at another location in the same metropolitan area, the number of customers negatively

The principal amount of the LNP refund for an NPA NXX will be calculated based on when the NPA NXX became LNP capable (i.e., February 10, 1999 or some other date prior to July 10, 1999). The principal amount will be calculated by multiplying the number of lines in service in an NPA NXX (i.e., when billing occurred) by the difference between the rate in effect (i.e., \$.53 or \$.54) and the authorized rate (i.e., \$.43) for each billing period.⁹ Interest will be calculated and compounded daily from the average date that bill payments were due¹⁰ until the date refunds are credited¹¹ to customers in a given NPA NXX. The amount of the per line refund for an NPA NXX will be calculated by dividing the LNP refund principal plus interest by the number of lines in service in that NPA NXX 30 days prior to the refund date. All customers with service in an LNP capable NPA NXX on the refund date will receive an identical per line credit.¹²

affected by this methodology would be exceedingly small -- in all likelihood less than one percent of the customers with local service during the refund period.

⁹ U S WEST estimates this amount to be approximately \$4.5 million for all NPA NXXs with LNP capability in its telephone service area during the refund period.

¹⁰ U S WEST is divided into three regions for billing purposes and each region has its own CRIS system. Each region has 20 different CRIS billing cycles (i.e., billing dates) when bills are rendered in a given month. Typically, payment is due within 15 days after a bill is rendered. U S WEST proposes to use a mid-month convention for calculating interest for refund purposes (i.e., interest on the LNP refund principal for May will be calculated using May 15, 1999 as the starting date).

¹¹ U S WEST is proposing to apply a one time credit to customer accounts. The cost of processing and disbursing checks to individual customers would be prohibitively expensive and would far exceed the amount of any LNP refund.

¹² This will result in a slightly larger refund than is required because the number of U S WEST's access lines is growing continuously.

III. CONCLUSION

U S WEST requests that it be allowed to refund LNP overcharges in accordance with the plan described above. U S WEST also requests expedited Commission review of this plan in order to avoid any problems surrounding Year 2000 issues. If the Commission approves U S WEST's refund plan within 30 days, U S WEST should be able to credit customer accounts for LNP refunds during 1999.¹³

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Of Counsel,
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August 16, 1999

¹³ In order to minimize the possibility of encountering computer system and operational problems with the advent of the Year 2000, U S WEST has imposed an embargo on all non-emergency system changes from November 15, 1999 until February 1, 2000.

CERTIFICATE OF SERVICE

I, Kelseau Powe, Jr., do hereby certify that on this 16th day of August, 1999, I have caused the foregoing **REFUND PLAN OF U S WEST COMMUNICATIONS, INC.** to be served via hand delivery* or via first class United States mail, postage prepaid, upon the persons listed on the attached service list.


Kelseau Powe, Jr.

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